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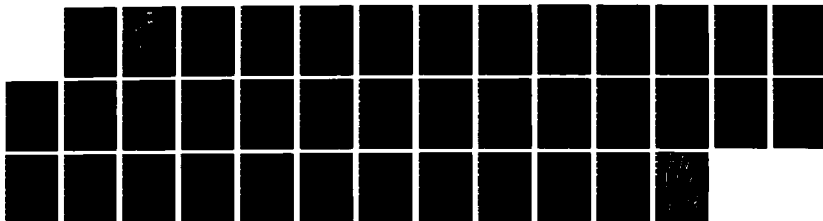
DEPARTMENT OF THE ARMY JUSTIFICATION OF ESTIMATES FOR
FISCAL YEAR 1987 SU (U) DEPUTY CHIEF OF STAFF FOR
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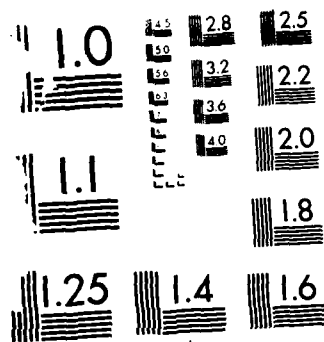
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DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1987
SUBMITTED TO CONGRESS

FEBRUARY 1986

MISSILES



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PROGRAMS

PROCUREMENT

AIRCRAFT	MISSILES
WEAPONS & TRACKED COMBAT VEHICLES	
AMMUNITION	OTHER

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SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
4. TITLE (and Subtitle) (in 6 parts) Department of the Army Justification of Estimates for Fiscal Year 1987, submitted to Congress February 1986, Procurement Programs, Aircraft, Missiles, Weapons & Tracked Cbt Veh., Ammunition, Other Procurement & Constr Programs		5. TYPE OF REPORT & PERIOD COVERED Army Procurement Budget Justification, FY 1987
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Department of the Army		8. CONTRACT OR GRANT NUMBER(s)
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14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office)		13. NUMBER OF PAGES 199 (including all parts)
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17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)		
18. SUPPLEMENTARY NOTES		
19. KEY WORDS (Continue on reverse side if necessary and identify by block number) Army Procurement Programs Budget Justification Books covering Aircraft, Missiles, Weapons and Tracked Combat Vehicles, Ammunition, Other Procurement, Army Appropriations programs and Construction programs submitted by the Army to Congress February 1986 for Fiscal Year 1987.		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number) In justification of programs requested, this document, in separate volume for each of the five Procurement Appropriations, and one separate volume for Construction Programs, provides backup data for the Army Budget submission for FY 1987. Included are Summaries of Requirements, Program and Financing Statements and Selected Data Sheets. (These volumes are unclassified).		

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DEPARTMENT OF THE ARMY
MISSILE PROCUREMENT, ARMY

JUSTIFICATION OF ESTIMATES FOR FISCAL YEARS 1987, 1988

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2-i February 1986

MISSILE PROCUREMENT, ARMY

Section 1

Budget Appendix Extract

Language

Program and Financing Schedule

Object Classification Schedule

2-1 February 1996

APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefore; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes. In all: \$2,438,200 to remain available for obligation until 1/ September 30, (1988) 1989.

2/

(10 U.S.C. 2353, 2361, 3012, 1531-32; Department of Defense Appropriation Act, 1983; additional authorizing legislation to be proposed)

EXPLANATION OF LANGUAGE CHANGES

- 1/ To change the amount of the appropriation for FY 1987.
- 2/ To change the obligation expiration date for the FY 1987 program.

Missile Procurement, Army					04 Feb 86	
Program and Financing (in Thousands of dollars) FISCAL YEAR 1983						
Identification code	21-2032-0-1-051	Budget plan (amounts for PROCUREMENT actions programed)		Obligations		
		1985 actual	1986 est.	1987 est.	1986 est.	1987 est.
Program by activities:						
Direct program:						
00.0101	Other missiles				119,357	
00.0201	Modification of missiles				12,930	
00.0301	Spares and repair parts				45,922	
00.0401	Support equipment and facilities				26,654	
00.9101	Total direct program				204,863	
01.0101	Reimbursable program				26,502	
10.0001	Total				231,365	
Financing:						
Offsetting collections from:						
11.0001	Federal funds(-)				18,844	
13.0001	Trust funds(-)				28,177	
17.0001	Recovery of prior year obligations				-69,001	
21.4002	Unobligated balance available, start of year:					
	For completion of prior year budget plans					
21.4007	Reprogramming from/to prior year budget plan	-35,165			-244,550	
22.4001	Unobligated balance transferred to other acc	15,200			15,200	
25.0001	Unobligated balance lapsing	19,965			19,965	
39.0001	Budget authority					

Missile Procurement, Army
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1984

04 Feb 86

Identification code	21-2032-0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Other missiles				116,023	107,946	
00.0201	Modification of missiles				10,663	30,602	
00.0301	Spares and repair parts				10,235	91,781	
00.0401	Support equipment and facilities				4,483	25,454	
00.9101	Total direct program				141,404	255,783	
01.0101	Reimbursable program				47,263	672	
10.0001	Total				188,667	256,455	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)				25,712		
13.0001	Trust funds(-)				28,567	893	
14.0001	Non-Federal sources(-)				-1		
17.0001	Recovery of prior year obligations				-56,789		
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans				-449,404	-257,348	
21.4003	Available to finance new budget plans				-10,100	-10,100	
21.4007	Reprogramming from/to prior year budget plan						
22.4001	Unobligated balance transferred to other accounts				-4,200	10,100	
24.4002	For completion of prior year budget plans						
24.4003	Available to finance subsequent year budget				10,100	257,348	
39.0001	Budget authority					10,100	

Missile Procurement, Army
Program and Financing (in thousands of dollars) FISCAL YEAR 1985

04 Feb 86

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Other missiles	2,508,600			2,157,169	214,825	136,606
00.0201	Modification of missiles	210,400			60,784	120,046	29,570
00.0301	Spares and repair parts	244,800			97,139	122,046	25,615
00.0401	Support equipment and facilities	132,100			42,276	73,219	16,605
00.9101	Total direct program	3,095,900			2,357,368	530,136	208,396
01.0101	Reimbursable program	180,306			177,075	3,231	
10.0001	Total	3,276,206			2,534,443	533,367	208,396
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-170,730			-170,730		
13.0001	Trust funds(-)	-9,588	12		-9,588	12	
21.4002	Unobligated balance available, start of year:						
21.4003	For completion of prior year budget plans						
21.4007	Available to finance new budget plans						
22.4001	Reprogramming from/to prior year budget plan	12	-71,100		-71,100	-741,775	-208,396
22.4001	Unobligated balance transferred to other acc		-12			-71,100	
24.4002	Unobligated balance available, end of year:		71,100			71,100	
24.4002	For completion of prior year budget plans						
24.4003	Available to finance subsequent year budget	71,100			741,775	208,396	
40.0001	Budget authority (Appropriation)	3,167,000			71,100		
					3,167,000		

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Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1986

04 Feb 86

Identification code	21-2032-0-1-051	Budget Plan (amounts for actions programmed)			PROCUREMENT		Obligations
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	
Program by activities:							
Direct program:							
Other missiles							
00.0101			2,375,100		1,722,630	431,445	
00.0201	Modification of missiles		187,032		175,360	5,540	
00.0301	Spares and repair parts		286,800		271,040	4,560	
00.0401	Support equipment and facilities		55,400		49,896	3,969	
00.9101	Total direct program		2,904,332		2,218,926	445,514	
01.0101	Reimbursable program		522,700		522,700		
10.0001	Total		3,427,032		2,741,626	445,514	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		444,000		444,000		
13.0001	Trust funds(-)		-78,700		-78,700		
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans					-685,406	
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans				685,406	219,892	
40.0001	Budget authority (Appropriation)		2,904,332		2,904,332		

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Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987 04 Feb, 86

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations	
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Other missiles			2,064,200			1,500,388
00.0201	Modification of missiles			173,500			170,720
00.0301	Spares and repair parts			150,900			137,912
00.0401	Support equipment and facilities			49,600			47,520
00.9101	Total direct program			2,438,200			1,856,540
01.0101	Reimbursable program			470,100			470,100
10.0001	Total			2,908,300			2,326,640
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)			406,500			-406,500
13.0001	Trust funds(-)			63,600			-63,600
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans						581,660
40.0001	Budget authority (Appropriation)			2,438,200			2,438,200

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Missile Procurement, Army Program and Financing (in thousands of dollars) SUMMARY

04 Feb 86

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROUR(M)NI actions programmed)				Obligations	
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Other missiles	2,508,600	2,375,100	2,064,200	2,392,549	2,045,401	2,068,439
00.0201	Modification of missiles	210,400	187,032	173,500	84,377	326,008	205,830
00.0301	Spares and repair parts	244,800	286,800	150,900	153,296	484,867	168,087
00.0401	Support equipment and facilities	132,100	55,400	49,600	73,413	148,569	68,094
00.9101	Total direct program	3,095,900	2,904,332	2,438,200	2,703,635	3,004,845	2,510,450
01.0101	Reimbursable program	180,306	522,700	470,100	250,840	526,603	470,100
10.0001	Total	3,276,206	3,427,032	2,908,300	2,954,475	3,531,448	2,980,550
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-170,730	444,000	-406,500	-126,174	444,000	-406,500
13.0001	Trust funds(-)	-9,588	-78,688	63,600	47,156	-77,795	-63,600
14.0001	Non-federal sources(-)				-1		
17.0001	Recovery of prior year obligations				-125,790		
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans		-81,200		-693,954	-999,123	-893,802
21.4003	Available to finance new budget plans	-41,053	-12			-81,200	
21.4007	Reprogramming from/to prior year budget plan	11,000	81,200		11,000	81,200	
22.4001	Unobligated balance transferred to other accounts						
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans	81,200			999,123	893,802	821,552
24.4003	Available to finance subsequent year budget	19,965			81,200		
25.0001	Unobligated balance lapsing				19,965		
40.0001	Budget authority (Appropriation)	3,167,000	2,904,332	2,438,200	3,167,000	2,904,332	2,438,200
Relation of obligations to outlays:							
71.0001	Obligations incurred, net				2,875,456	3,009,653	2,510,450
72.4001	Obligated balance, start of year				3,796,197	4,128,284	4,794,903
74.4001	Obligated balance, end of year				-4,128,284	-4,794,903	-4,916,388
77.0001	Adjustments in expired accounts				-18,491		
78.0001	Adjustments in unexpired accounts				-125,790		
90.0001	Outlays				2,399,088	2,343,034	2,388,965

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Missile Procurement, Army
Object Classification (in Thousands of dollars) SUMMARY

04 Feb 86

Identification code	21-2032-0-1-051	1985 actual	1986 est.	1987 est.
Direct obligations:				
Other services:				
125.004	Other	513,690	774,322	507,091
126.001	Supplies and materials	811,091	343,947	663,790
131.001	Equipment	1,378,854	1,886,576	1,339,569
199.001	Total Direct obligations	2,703,635	3,004,845	2,510,450
Reimbursable obligations:				
Other services:				
225.004	Other	47,660	137,392	92,468
226.001	Supplies and materials	75,252	26,769	107,862
231.001	Equipment	127,928	362,442	269,770
299.001	Total Reimbursable obligations	250,840	526,603	470,100
999.901	Total obligations	2,954,475	3,531,448	2,980,550

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Missile Procurement, Army
 (Reduction Pursuant to Public Law 99-177)
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1984

04 Feb 86

Budget Plan (amounts for PROCUREMENT
 actions programmed)

Identification code	21-2032-6-1-051	1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.	Obligations
Program by activities:								
10.0001	Total							-12.508

Financing:

Unobligated balance available, start of year:

21.4007 Reprogramming from/to prior year budget plan

23.4001 Unobligated balance reduction: Appropriation

39.0001 Budget authority

-12.508

12.508

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Missile Procurement, Army
(Reduction Pursuant to Public Law 99-177)
Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

04 Feb 86

Identification code	21-2032-6-1-051	Budget Plan (amounts for actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0201							
00.2001		-36,934				-26,046	-10,888
10.0001	Total	-36,934				-26,046	-10,888
Financing:							
Unobligated balance available, start of year:							
21.4002							10,888
21.4007			-36,934				
23.4001		36,934	36,934			36,934	
24.4002						-10,888	
39.0001	Budget authority						

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Missile Procurement, Army
(Reduction Pursuant to Public Law 99-177)
Program and Financing (in Thousands of dollars) FISCAL YEAR 1986

04 Feb 86

Identification code	21-2032-6-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0201	Other missiles						
00.2001	Undistributed		-142,312		-113,850	-18,501	
10.0001	Total		-142,312		-113,850	-18,501	
Financing:							
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans					28,462	
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans				-28,462	-9,961	
40.0001	Budget authority (Appropriation)		-142,312		-142,312		

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Missile Procurement, Army
(Reduction Pursuant to Public Law 99-177)
Program and Financing (in thousands of dollars) SUMMARY

04 Feb 86

Identification code	21-2032-6-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0201	Other missiles	-36,934	-142,312			-152,404	-29,389
00.2001	Undistributed						
10.0001	Total	-36,934	-142,312			-152,404	-29,389
Financing:							
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans						39,350
21.4007	Reprogramming from/to prior year budget plan	36,934	-49,442				
23.4001	Unobligated balance reduction: Appropriation		49,442			49,442	
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans					-39,350	-9,961
40.0001	Budget authority (Appropriation)		-142,312			-142,312	
Relation of obligations to outlays:							
71.0001	Obligations incurred, net					-152,404	-29,389
72.4001	Obligated balance, start of year					138,470	107,494
74.4001	Obligated balance, end of year						
90.0001	Outlays					-13,934	-60,365

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10001/10001

Missile Procurement, Army
(Reduction Pursuant to Public Law 99-177)
Object Classification (in thousands of dollars) SUMMARY

Identification code	21-2032-6-1-051	1985 actual	1986 est.	1987 est.	04 Feb 86
Direct obligations:					
192.001 Undistributed			-152,404	-29,389	
199.001 Total Direct obligations			-152,404	-29,389	
999.901 Total obligations			-152,404	-29,389	

MISSILE PROCUREMENT, ARMY

Section 2

Budget Activity Justification

Activity 2 - Other Missiles

Activity 3 - Modification of Missiles

Activity 4 - Spares and Repair Parts

Activity 5 - Support Equipment and Facilities

2-15 February 1986

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Department of the Army		Appropriation		FY 1987	
Annual Budget Estimates		Missile Procurement, Army		Budget	
JUSTIFICATION					
Program or Budget Project Account		(Thousands of Dollars)			
		Actual	Estimate	Estimate	Estimate
Activity 2 - Other Missiles		FY 1985	FY 1986	FY 1987	FY 1988
Direct Obligation or Direct Budget Plan		\$2,508,600	\$2,375,100	\$2,064,200	\$2,463,600

Section 1 - PURPOSE AND SCOPE

Provides for procurement of surface-to-air, antitank assault, surface-to-surface and air-to-surface missile systems; related ground support equipment; and initial issue and replacement of losses consumed in reliability firings, crew proficiency firings, and other training activities.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

CHAPARRAL Missile System (P-1 Line Item No. 1)

(\$ in Thousands)	
FY 1987	FY 1988
\$103,700	\$114,500

\$103.7 million is requested in FY 1987 for procurement of 456 Rosette Scan Seeker (RSS) missiles to upgrade CHAPARRAL Missiles with Infrared Counter-Counter Measures capability. \$114.5 million requested in FY88 continues procurement of 960 CHAPARRAL RSS missiles.

Non Line of Sight Air Defense (P-1 Line Item No. 2)

(\$ in Thousands)	
FY 1987	FY 1988
\$ - -	\$114,200

\$14.2 million is requested in FY 1988 for the initial procurement of Non Line of Sight Air Defense. Non Line of Sight Air Defense is a component of the Forward Area Air Defense System designed to counter the over-the-hill helicopter threat to Heavy Divisions (Armor and Mechanized Infantry).

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Air Defense System Heavy (P-1 Line Item No. 3)

(\$ in Thousands)	
FY 1987	FY 1988
\$9,100	\$65,400

\$9.1 million is requested in FY 1987 is to procure equipment in support of the FY 1988 production of Heavy Air Defense Systems. \$65.4 million is requested in FY 1988 for the procurement of Heavy Air Defense Systems. The Heavy Air Defense System fulfills the requirement for the Line of Sight (Forward-Heavy) component of the Forward Area Air Defense System designed to counter the line of sight fixed wing and helicopter threat to committed forces in Heavy Divisions (Armor and Mechanized Infantry).

Air Defense System Light (P-1 Line Item No. 4)

(\$ in Thousands)	
FY 1987	FY 1988
\$ - -	Classified

~~Classified~~amt. is requested in FY 1988 for initial procurement of Light Air Defense Systems. The Light Air Defense System fulfills the requirement for the Line of Sight (Forward-Light) component of the Forward Area Air Defense system designed to counter the forward area fixed wing and helicopter threat to light and specialized divisions.

Other Missile Support (P-1 Line Item No. 5)

(\$ in Thousands)	
FY 1987	FY 1988
\$6,500	\$4,700

\$6.5 million in FY 1987 is requested for the procurement of 102 replacement HAWK rocket motors and peculiar support equipment. The FY 1988 request is for 136 replacement rocket motors and peculiar support equipment at a cost of \$4.7 million.

PATRIOT Missile System (MYP) (P-1 Line Item No. 6)

(\$ in Thousands)	
FY 1987	FY 1988
\$951,500	\$912,700

\$951.5 million is requested in FY 1987 for 700 PATRIOT missiles and 12 fire units. In FY 1988 \$912.7 million is requested for procurement of 715 missiles and 12 fire units. PATRIOT is an improved system which will replace NIKE-HERCULES and some HAWK batteries and is specifically designed to defeat the advanced air threat of the 1990's and beyond. Procurement began in FY 1980 and will continue through FY 1991.

PATRIOT Advance Procurement (MYP) (P-1 Line Item No. 7)

(\$ in Thousands)	
FY 1987	FY 1988
\$45,300	\$40,100

\$45.3 million is requested in FY 1987 and \$40.1 million is requested in FY 1988 to procure advance materials in support of a multiyear procurement acquisition strategy for PATRIOT.

STINGER Missile System (MYP) (P-1 Line Item No. 8)

(\$ in Thousands)	
FY 1987	FY 1988
\$251,700	\$337,700

\$251.7 million is requested for the procurement of 4,180 Stinger-POST/RMP missiles and Pedestal Mounted Stinger Launch Stations in FY 1987 and \$337.7 million for 5,964 Stinger-POST/RMP missiles and Pedestal Mounted Stinger Launch Stations in FY 1988. The Stinger is a man-portable air defense missile system that provides self-defense to forward deployed, company size combat units. The Pedestal Mounted Stinger fulfills the Line of Sight (Rear) Forward Area Air Defense requirement and improves the mobility, fire power, reaction time, and man-machine interfaces of the man-portable Stinger missile.

STINGER Advance Procurement (MYP) (P-1 Line Item No. 9)

(\$ in Thousands)	
FY 1987	FY 1988
\$40,300	\$45,500

\$40.3 million is requested in FY 1987 and \$45.5 million is requested in FY 1988 to procure advance materials in economic order quantities in support of a multiyear procurement acquisition strategy for the STINGER Missile System.

LASER HELLFIRE System (P-1 Line Item No. 10)

(\$ in Thousands)	
FY 1987	FY 1988
\$ - -	\$190,600

\$190.6 million is requested in FY 1988 to procure 4800 laser Hellfire missiles and associated equipment. The HELLFIRE missile system is designed to defeat the current and future armor threat at stand-off ranges. Mounted on the AH-64 helicopter, it will increase survivability and lethality.

TOW Missile System (P-1 Line Item No. 11)

(\$ in Thousands)	
FY 1987	FY 1988
<u>\$134,600</u>	<u>\$176,300</u>

The FY 1987 budget request of \$134.6 million will procure 12,000 TOW-2 missiles and ground support equipment. 12,000 TOW-2 missiles will be procured in FY1988 at a cost of \$176.3 million. The TOW-2 system is an upgrade of the basic TOW which was originally fielded in 1970. The TOW-2 missile is designed to defeat current and future enemy armored vehicles.

TOW Advance Procurement (P-1 Line Item No. 12)

(\$ in Thousands)	
FY 1987	FY 1988
<u>\$ 15,500</u>	<u>\$ --</u>

\$15.5 million is requested in FY 1987 to procure long lead items for surge capability for TOW 2 production of 2500 missiles per month.

Pershing (P-1 Line Item No. 13)

(\$ in Thousands)	
FY 1987	FY 1988
<u>\$31,800</u>	<u>Classified</u>

\$31.8 million is requested in FY 1987 to procure flight instrumentation kits for the PERSHING II flight test program and installation kits for advanced technology radio equipment which is required for effective command and control of Theater Nuclear Force units. The amount in FY 1988 is requested for buy out of the flight test instrumentation packages.

Multiple Launch Rocket System (MLRS) (MYP) (P-1 Line Item No. 14)

(\$ in Thousands)	
FY 1987	FY 1988
<u>\$474,200</u>	<u>\$480,200</u>

\$474.2 million is requested to procure 72,000 rockets, 44 launchers and associated ground support equipment in FY 1987. \$480.2 million is requested to procure 72,000 rockets, 42 launchers, and associated ground support equipment in FY 1988. The MLRS is a 227 millimeter diameter multiple launch rocket system with tracked self-propelled launcher/loader, disposable pods, and fire control equipment. Its mission is to neutralize or suppress enemy field artillery and air defense systems, and supplement cannon artillery when targets exceed capabilities during surge conditions.

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Department of the Army		Appropriation		FY 1987	
Annual Budget Estimates		Missile Procurement, Army		Budget	
JUSTIFICATION					
Program or Budget Project Account		(Thousands of Dollars)			
		Actual	Estimate	Estimate	Estimate
Activity 3 - Modification of Missiles		FY 1985	FY 1986	FY 1987	FY 1988
Direct Obligation or Direct Budget Plan		\$210,400	\$187,000	\$173,500	\$181,900

Section 1 - PURPOSE AND SCOPE

Provides for the modification of surface-to-air, surface-to-surface, and antitank missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

PATRIOT Modifications (P-1 Line Item No. 16)

(\$ in Thousands)	
FY 1987	FY 1988
<u>\$38,600</u>	<u>\$52,800</u>

\$38.6 million in FY1987 and \$52.8 million in FY1988 is requested for radar enhancements to improve target data processing and engagement of low radar cross section targets, clutter canceller improvements to improve engagement of low altitude targets, and upgrade the data link terminal at the engagement control station and the launching station to improve reliability.

CHAPARRAL Modifications (P-1 Line Item No. 17)

(\$ in Thousands)	
FY 1987	FY 1988
<u>\$5,200</u>	<u>\$13,500</u>

\$5.2 million is requested in FY 1987 for procurement of 524 smokeless rocket motors, and for forward looking infrared (FLIR) night sights with optical improvement. \$13,500 million is requested in FY 1988 to continue procurement of items identified in FY1987.

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HAWK Modifications (P-1 Line Item No. 18)

(\$ in Thousands)	
FY 1987	FY 1988
\$68,200	\$50,500

\$68.2 million is requested in FY 1987 for the second year production buy of Phase III modification kits to improve the HAWK missile capabilities. The Phase III modification will improve fire power, low altitude target engagement, and training capabilities of each fire unit, as well as reduce operator and maintenance workloads. \$50.5 million is requested in FY 1988 to continue Phase III modification procurement.

TOW Modifications (P-1 Line Item No. 19)

(\$ in Thousands)	
FY 1987	FY 1988
\$53,000	\$38,900

\$53.0 million is requested in FY 1987 and \$38.9 million in FY 1988 to provide an increased anti-armor capability, increased performance and hardening against obscuration, and electrical optical countermeasures for the TOW missile. This program also modifies existing basic TOW launchers to the TOW-2 configuration.

DRAGON Modification (P-1 Line Item No. 20)

(\$ in Thousands)	
FY 1987	FY 1988
\$4,700	\$--

\$4.7 million is requested in FY 1987 to procure improved DRAGON Warheads to upgrade a part of the current inventory of Dragon missiles to improve lethality against current and future armor threats.

LANCE Modification (P-1 Line Item No. 21)

(\$ in Thousands)	
FY 1987	FY 1988
\$3,800	\$16,100

\$3.8 million is requested in FY 1987 for procurement of timers and guidance and control equipment for the Lance missile system. \$16.1 million is requested in FY 1988 for final procurement of timers and guidance and control equipment necessary to insure mission accomplishment thru target/range accuracy.

PERSHING Modifications (P-1 Line Item No. 23)

(\$ in Thousands)	
FY 1987	FY 1988
\$ --	\$10,100

\$10.1 million is requested in FY 1988 for procurement of modification kits required to improve maintenance and reduce potential safety problems for the Pershing II missile system..

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Department of the Army Annual Budget Estimates JUSTIFICATION		Appropriation Missile Procurement, Army		FY 1987 Budget
Program or Budget Project Account (Thousands of Dollars)				
	Actual	Estimate	Estimate	Estimate
Activity 4 - Spares and Repair Parts	FY 1985	FY 1986	FY 1987	FY 1988
Direct Obligation or Direct Budget Plan	\$244,800	\$286,800	\$150,900	\$301,300

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve of repairable major assemblies and repair parts for surface-to-air, air-to-surface, surface-to-surface, and antitank missile systems and support items.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Required for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve requirements of centrally managed, high dollar value depot repairable components, assemblies, and repair parts which are not carried in Army stock fund inventories.

Spares and Repair Parts
Initial Provisioning (P-1 Line Item No. 25)

	(\$ in Thousands)
FY 1987	FY 1988
\$67,900	\$179,300

Initial Provisioning is requested to support the following major item procurements:

System	FY 1987	FY 1988
CHAPARRAL	\$ 1.9	\$ 3.8
PATRIOT	37.1	85.8
HELLFIRE	-	2.3
STINGER	1.0	3.2
MLRS	10.5	27.8
TOW 2	4.2	14.3

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<u>System</u>	<u>FY 1987</u>	<u>FY 1988</u>
CHAPARRAL MODS	.8	1.1
HAWK MODS	8.5	21.8
PATRIOT MODS	2.3	11.3
TOW MODS	1.6	5.2
PERSHING MODS	-	2.7
	(\$ in Thousands)	
	<u>FY 1987</u>	<u>FY 1988</u>
	<u>\$83,000</u>	<u>\$122,000</u>

Spares and Repair Parts (P-1 Line Item No 25)

\$83.0 million is requested in FY 1987 and \$122.0 million is requested in FY 1988 for peacetime replenishment repair parts.

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Department of the Army Annual Budget Estimates JUSTIFICATION	Appropriation		FY 1987 Budget
	Missile Procurement, Army		
(Thousands of Dollars)			
Program or Budget Project Account.	Actual	Estimate	Estimate
Activity 5 - Support Equipment & Facilities	FY 1985	FY 1986	FY 1987
Direct Obligation or Direct Budget Plan	\$132,100	\$55,400	\$49,600
			\$51,500

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of support equipment, items less than \$900,000 and production base support for Army missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Air Defense Targets (P-1 Line Item No. 26)

(\$ in Thousands)
FY 1987 \$32,400
FY 1988 \$31,600

\$32.4 million is requested in FY 1987 and \$31.6 million in FY 1988 for procurement of air defense targets, towed targets and ground support systems. This program provides targets for training of air defense personnel.

Items Less Than \$2.0 Million (Missiles) (P-1 Line Item No. 27)

(\$ in Thousands)
FY 1987 \$1,500
FY 1988 \$2,200

\$1.5 million is requested in FY 1987 and \$2.2 million in FY 1988 for procurement of tool and test sets to support missile system maintenance and repair.

Production Base Support (P-1 Line Item No. 28)

(\$ in Thousands)

	FY 1987	FY 1988
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\$15,700

\$15.7 million is requested in FY 1987 and \$17.7 million is requested in FY 1988 for production base support for missiles and air defense. This request includes funding for new and replacement equipment at White Sands Missile Range, rehabilitation/replacement of buildings and equipment at Government Owned/Contractor Operated facilities, and the procurement of plant equipment required to support the depot maintenance mission.

MISSILE PROCUREMENT, ARMY

Section 3

Comparison of Program Requirements and Financing

Comparison of FY 1986 program requirements as reflected in FY 1986 budget with FY 1986 program requirements as shown in FY 1987 budget.

Comparison of FY 1986 financing as reflected in FY 1986 budget with FY 1986 financing as shown in FY 1987 budget.

Comparison of FY 1985 program requirements as reflected in FY 1986 budget with FY 1985 program requirements as shown in FY 1987 budget.

Comparison of FY 1985 financing as reflected in FY 1986 budget with FY 1985 financing as shown in FY 1987 budget.

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COMPARISON OF FY 1986 PROGRAM REQUIREMENTS
AS REFLECTED IN FY 1986 BUDGET WITH
FY 1986 PROGRAM REQUIREMENTS AS SHOWN IN FY 1987 BUDGET

SUMMARY OF REQUIREMENTS (in Thousands of Dollars)

Appropriation:	Total Program Requirements Per FY 1986 Budget	Program Requirements Per FY 1987 Budget	Increase (+) or Decrease (-)
Activity 1 - Antibalistic Missile System	0	0	0
Activity 2 - Other Missiles	\$2,786,000	\$2,375,100	-\$410,900
Activity 3 - Modification of Missiles	222,000	187,032	-34,968
Activity 4 - Spares and Repair Parts	322,000	286,800	-35,200
Activity 5 - Support Equipment and Facilities	56,700	55,400	-1,300
TOTAL	\$3,386,700	\$2,904,332	-\$482,368

EXPLANATION OF ACTIVITY

Activity 2 - Other Missiles (-\$410.9) - Decrease of \$410.9 million due to Congressional action as follows:

Chaparral	-55.5
Patriot	-55.3
Stinger	-57.5
Hellfire	-27.5
TOW 2	-66.0
Pershing	-110.2
Multiple Launch	
Rocket System	-38.9
	<u>-410.9</u>

Activity 3 - Modification of Missiles (-\$35.0) - Decrease of \$35.0 million due to Congressional action as follows:

Patriot Mods	-0.7
Chaparral Mods	-6.2
HAWK Mods	-7.2
TOW Mods	-20.9
	<u>-35.0</u>

Activity 4 - Spares and Repair Parts (-\$35.2) - Decrease of \$35.2 million due to Congressional action as follows:

Spares and Repair Parts	-35.2
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Activity 5 - Support Equipment and Facilities (-\$1.3) - Decrease of \$1.3 million due to Congressional action as follows:

Air Defense Targets	-1.2
Items Less Than \$2.0M	-0.1
	<u>-1.3</u>

COMPARISON OF FY 1986 FINANCING AS REFLECTED
IN FY 1986 BUDGET WITH FY 1986 FINANCING
AS SHOWN IN FY 1987 BUDGET

(in Thousands of Dollars)

Appropriation:	Financing Per FY 1986 Budget	Financing Per FY 1987 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$3,726,900	\$3,427,032	-\$299,868
Program Requirements (Service Account)	(3,386,700)	(2,904,332)	-482,368
Program Requirements (Reimbursable)	(340,200)	(522,700)	+182,500
Less:			
Anticipated reimbursements	340,200	522,700	+182,500
Financing:			
Offsetting collections from:			
Federal Funds	-299,900	-444,000	
Trust Funds	-40,300	-78,688	
Unobligated balance available from prior year to finance new budget plans		-81,200	
Reprogramming from/to prior year budget plan		-12	
Unobligated balance transferred		81,200	
Add:			
Unobligated balance transferred to other accounts			
Reappropriation			
Unobligated balance available to finance subsequent year budget plans			
BUDGET AUTHORITY	3,386,700	2,904,332	-482,368
BUDGET AUTHORITY			
Appropriation	3,386,700	2,904,332	-482,368
Transferred to other accounts			
Appropriation (Adjusted)	3,386,700	2,904,332	-482,368

REPORT TO CONGRESS
ON THE
BUDGET

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1986 program has decreased by \$299.9 million since submission of the Fiscal Year 1986 budget to Congress. Adjustments to financing categories are explained below:

1. Anticipated Reimbursements: \$182.5 million increase in the foreign military sales program.
2. Budget Authority: Decrease of \$482.4 million due to Congressional reductions.

2-30 February 1986

REPORT TO CONGRESS

SUMMARY OF REQUIREMENTS (in Thousands of Dollars)

EXPLANATION OF ACTIVITY

Activity 3 - Modification of Missiles (+\$2.0)- Increase of \$2.0 million is due to internal MIPA reprogramming for Pershing II modifications.

2-31 February 1986

STREET LIGHT

COMPARISON OF FY 1985 FINANCING AS REFLECTED
IN FY 1986 BUDGET WITH FY 1985 FINANCING
AS SHOWN IN FY 1987 BUDGET

(in Thousands of Dollars)

Appropriation:	Financing Per FY 1986 Budget	Financing Per FY 1987 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$3,551,500	\$3,276,206	-\$275,294
Program Requirements (Service Account)	(3,158,300)	(3,095,900)	-62,400
Program Requirements (Reimbursable)	(393,200)	(180,306)	-212,894
Less:			
Anticipated reimbursements	393,200	180,306	-212,894
Financing:			
Offsetting collections from:			
Federal funds	-319,500	-170,730	
Trust funds	-73,700	-9,588	
Reprogramming from/to prior year budget plans	4,200	-41,053	
Unobligated balance transferred, net	-4,200	11,000	
Unobligated balance available to finance subsequent year budget		81,200	
Unobligated balance lapsing		19,965	
BUDGET AUTHORITY			
BUDGET AUTHORITY			
Appropriation	3,158,300	3,167,000	+8,700
Transferred to other accounts	-8,700		
Appropriation (Adjusted)	3,149,600	3,167,000	

2-12 February 1986

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EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1985 program has decreased \$275.3 million since preparation of the fiscal Year 1986 budget to Congress. Adjustments to financing categories are explained below:

1. Anticipated Reimbursements: \$213.0 million decrease in foreign military sales program.
2. Budget Authority: Decrease of \$62.4 million due to Lethal Chemical Reprogramming Action (OSD #85-77 PA), ROTE Classified effort Reprogramming Action (OSD #85-24 PA), and set aside directed by Joint Resolution #465.

2-33 February 1986

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